

Kosovo Framework Paper

USAID/ENI

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Scope of the Problem

- In late February 1998, following an unprecedented series of clashes in Kosovo between Serbian police forces and members of the Kosovo Liberation Army (KLA), Serbian police raided villages in Kosovo's Drenica region, a KLA stronghold. This followed nine years of de facto apartheid resulting from Milosovic's abrogation of Kosovar autonomy in 1989.
- The police reportedly burned homes and killed dozens of ethnic Albanians in these raids. Thousands of ethnic Albanians in Pristina protested Serb police actions, and were subsequently attacked by the police with tear gas, water cannons, and clubs.
- As a result of the fighting, thousands of Kosovar Albanians were displaced from their homes, many taking refuge with host families, while a smaller proportion (several thousand) took to the hills and forests.
- Widespread ethnic cleansing and mass expulsions followed collapse of the Rambouillet peace talks and the onset of NATO air strikes. By UNHCR estimates there are now nearly 600,000 refugees in Albania (373,400), Macedonia (160,700), and Montenegro (62,400).
- The situation is particularly tenuous in Macedonia, where pre-existing tensions with the Albanian minority have been pushed to the breaking point.
- The economic costs of the crisis to the region--from the costs of coming with refugee inflows as well as from disrupted regional trade and sharply reduced foreign investment--are staggering. Under a scenario that assumes a protracted conflict and continued refugee outflows, the World Bank projects a combined \$1.5 billion balance of payments gap for the FLS countries in 1999.

Country Situations as of April 30

Albania

- UNHCR headquarters estimates that there are 373,400 refugees in Albania. In the preceding 24 hours, 1,800 refugees entered Albania at the Morini border crossing, arriving from a variety of areas in Kosovo. (Update: An additional 39,000 arrived over the weekend of May 1-2.)
- The Government of Albania (GOA) reports that 105,000 refugees remain in the northern districts of Albania. 2,700 refugees were transferred from Kukes to other points in Albania on April 29.
- NATO plans to transfer of 30,000 refugees by air from Kukes to a camp near Shkoder within the next 10 days. NATO will also transport the refugees' personal affects including tractors.
- The current shelter capacity in Albania will be expanded in the next 30 days to host 148,000 refugees in camps and collective centers.
- International teams have identified seven possible shelter sites, three of which are immediately available. Consultations with the GOA are underway on approval of the seven sites.
- According to the World Food Program (WFP), the Durres-Kukes road is rapidly deteriorating. NATO has identified the repair of this road as a top priority. WFP is looking into alternative road routes that can be used for the delivery of relief supplies until the roadwork is completed.
- Lack of sanitation remains an urgent need in Kukes, where conditions are expected to worsen as temperatures rise. The GOA's Institute of Public Health reports that poor sewage and pipe systems pose continued sanitation problems, despite water chlorination activities. The lack of sufficient chlorination and low water supply remains a problem in some rural locations.

- Resources Management Services continues construction of the U.S. Government (USG) refugee camp in Fier with the assistance of Albanian labor and equipment.
- The International Committee for the Red Cross (ICRC) reports that it is currently distributing food and non-food parcels to 250,000 beneficiaries in Albania-- double the number originally estimated.
- WFP reports that based on the current refugee population, two-weeks worth of food stocks are now in place in all sub-offices.
- WFP reports that its strategic airlift capacity is being stepped up to ensure that 30 days worth of ready-to-eat food for the current 355,000 refugee population is in-country within two weeks.

Macedonia

- UNHCR headquarters estimates that there are more than 160,700 refugees currently in Macedonia. About 7,500 entered Macedonia on April 29: 6,600 via Blace; 500 via Jazine; 150 via Tabanovce; and 250 crossed at an unofficial border crossing at Straza, west of Lojane. The Macedonian Red Cross and the Ministry of Interior estimate that 93,370 refugees are staying with host families and that 67,330 are living in refugee camps.
- The Cegrane refugee camp was opened earlier than expected on April 28 as other Macedonian refugee camps and transit reception centers are filled to capacity. The first phase of Cegrane camp was originally designed for 5,000 people. However, UNHCR recommends housing 8,000 refugees based on their emergency standards for space. As of April 29, 8,000 refugees had moved into the new refugee camp.
- UNHCR has contracted the Macedonian Red Cross (MRC) to be the main distribution agency for humanitarian supplies to refugees not living in the camps. In addition to the MRC, there are several other local private voluntary organizations (PVOs) currently distributing humanitarian assistance to refugees in host families, including El Hilal, Caritas Macedonia, and Kalili Bamiresise. The Mother Teresa Society also has a local distribution network in Struga municipality.

- The USAID Disaster Assistance Response Team (DART) reports that the Macedonian Red Cross (MRC) is proceeding rapidly with registration of refugees with host families. The current number registered is 91,000. A second distribution MRC point has been established in Skopje, increasing the pace of distributions to refugees in host families.
- On April 30 UNHCR issued an appeal to non-European countries to take Kosovo refugees as overcrowding in the camps there reached critical proportions.
- An April 30 opinion survey by USIA indicates that ethnic Macedonians have shifted from a majority "positive" to half or more "negative" when asked their opinion of NATO, the EU, the UN, and OSCE. By contrast, ethnic Albanians' already strong support is now over eight in ten for each organization.

Montenegro

- UNHCR headquarters estimates that there are 62,800 refugees in Montenegro. In the past 48 hours, 35 refugees entered Montenegro. Some 500 departed for Albania yesterday via the Hani I Hotit border crossing.
- IRC has distributed hygiene parcels to all factories in Rozaje that are housing refugees. UNICEF has delivered a large quantity of supplies (including baby blankets, diapers, children's clothing, and footwear) for women and children to the Montenegrin Red Cross.

How the U.S. is Responding

- Since March 1998 the USG has provided nearly \$184 million in response to the Kosovo crisis, of which:

USAID/BHR	\$ 77,329,623
State/PRM	58,648,600
DOD	<u>47,949,000</u>
Total	\$183,927,223

- The most recent shipment of commodities, which began arriving in Macedonia on April 26, included 15,200 five-gallon water jugs, fifteen 3,000-gallon water bladders, 15,092 hygiene kits, and 800 rolls of plastic sheeting.
- The administration has requested \$591 million in supplemental funding for FY 1999, which includes:

Humanitarian Assistance	\$386 million
Assistance to Front Line States	150 million
Security Assistance	30 million
Diplomatic Operations	<u>25 million</u>
Total	\$591 million

- This includes \$100 million in FY 1999 ESF funds for balance of payments support to the front line states (of which \$25 million for Bulgaria and \$22 million for Macedonia have already been announced, subject to congressional approval.
- USAID is also reprogramming \$50 million from NIS, Bosnia, and other programs for activities in the countries most affected by the crisis.

Donor Coordination: Key Dates and Events

April 8 German Proposal for Stability Pact

- Germany tables a non-paper proposing that it, together with EU partners, lead formation of a "Stability Pact for South-Eastern Europe" under the auspices of OSCE.

April 15 San Francisco Press Conference

- President Clinton speaks to the American Society of Newspaper Editors on Kosovo, explaining, "why we're there, what our objectives are, and how this fits with our larger vision of the future."

April 21 Department of State Demarche

- Department of State transmits text of a demarche to embassies in European capitals and Japan asking for reaction to State non-paper entitled "Working Within the Transatlantic Partnership to Create a New Southeast Europe," which, *inter alia*, urges a meeting on the fringes of the NATO summit to:
 - Enunciate an agreed set of principles and common goals as well as a commitment from participants to make the long-term investment necessary to achieve these agreed goals;
 - Establish where we may need mechanisms to further advance the process;
 - Bless a concept for reinforcing partnerships among European and transatlantic institutions aimed at better coordinating a comprehensive approach to the region;
 - Underscore the roles that existing regional institutions would plan in creating a "New Southeast Europe;" and
 - Commit the participants to periodic review of progress.

April 21 Bulgaria Consultative Group Meeting

- U.S. delegation, led by DAA/ENI John Tennant, pledges \$25 million in BOP support and \$2 million in Kosovo-related support for Bulgaria in addition to previously planned SEED budgets of \$30 million for FY 1999 and \$29 million for FY 2000.

April 21 FLS Meeting on Margins of Bulgaria CG

- At the close of the Bulgaria CG a special session is held to discuss donor coordination for the FLS in light of the crisis.

April 22 "Quint Forum"

- Administrator attends a meeting of development ministry representatives from the UK, France, Italy, Germany, and the U.S. in London. Donors tentatively agree to a set of principles put forward by USAID. Administrator also debriefs participants on his recent trip to Albania. It is agreed:
 - That strong collaboration will be needed between the civilian and military sides of the effort to ensure the smooth return of displaced Kosovars.
 - That we will need to move quickly to identify moderate Kosovar leaders from the ranks of current refugees and assure prompt return to their communities of origin.
 - That bilateral donors will need to take the early lead on reconstruction, with multilateral and EU efforts coming on stream later in the process.

April 23-25 NATO Summit

- In a statement on Kosovo, heads of state and government participating in the summit declare:

It is our aim to make stability in Southeast Europe a priority of our transatlantic agenda. Our governments will cooperate urgently with NATO as well as through the OSCE, and for those of us which are members, the European Union, to support the nations of Southeast Europe in forging a better future for their region—one based on

democracy, justice, economic integration, and security cooperation.

April 27 Follow-Up to Quint Forum

- Deputy Administrator Babbitt meets with Heidemarie Wiecezorek-Zeul, German Minister for Economic Cooperation; Clare Short, British Secretary of State, Department for International Development (UK); Enrico Serri, Italian Deputy Foreign Minister for Development; and Pierre Jaquemot, French Deputy Director of Development to follow up on the issues raised at the April 22 "Quint Forum."
- It is decided that an expert-level working group will be convened in the near future to start actively planning for reconstruction in Kosovo.

April 27 JBA Testimony before SACFO

- The Administrator requests \$591 million to address the refugee crisis and for urgent economic support to the frontline states.

April 27 Bank/Fund Donor Meeting on Kosovo

Some 40 international organizations, bilateral donors, and representatives of the front line states attended a high level meeting on Kosovo on the margins of the annual Fund/Bank meetings. The purposes of the meeting were:

- To review the short-term response of the international community to the humanitarian, economic and financial needs of the six most-affected countries, set out in an impact assessment report prepared jointly by the IMF and the World Bank;
- To exchange views on a medium- to long-term approach for economic reconstruction and recovery, growth and progress in reaching social stability in the region once peace is achieved; and
- To formulate next steps for coordination of the international community's response to the economic and social impacts of the crisis.

May 5 Consultative Group Meeting for Macedonia

- U.S. pledges \$84.6 million in ESF and SEED funding for Macedonia in FY 1999.

Next Steps

- May 6-7 USAID-EC High Level Consultations
 - One-hour meeting on Kosovo in Plenary on May 6
 - Follow-up discussions with DG1A on May 7
- Other CG meetings yet to be scheduled
 - Albania
 - Bosnia
 - Romania

Emerging USG Policy and Strategy

- US approach has been to divide the crisis into three separate phases:
 - The immediate humanitarian crisis;
 - The first 100 following the end of hostilities; and
 - Longer term regional stability in Southeastern Europe
- We think there is strong merit to the idea of developing a regional approach to long term stability in Southeastern Europe.
- To the maximum extent possible, our efforts in this regard should build on existing mechanisms such as NATO, the EU, OSCE, and other regional initiatives already underway.
- We need to provide balance of payments support to the FLS countries, which have been hit hard by extra costs and reduced incomes due to the crisis. However, we must also underscore the need for continued implementation of economic and social reform programs already underway with the support of bilateral donors and the IFIs.
- What the U.S. is Doing
 - Since March 1999 we have channeled about \$184 million for refugee assistance through international organizations and our own defense department.
 - We have asked Congress for an additional \$591 million in supplemental funding for this fiscal year, which includes \$150 million in support for the frontline states that is additional to our regular assistance programs there.
 - This includes \$100 million in balance of payment support for the FLS, of which \$25 million has already been announced for Bulgaria and \$22 million has been announced for Macedonia.

- And we are reprogramming about \$50 million from existing programs to address the immediate needs of the crisis.
- We are developing grants in the following areas to address immediate needs in the frontline states:
 - Sanitation and Public Health: The influx of many thousands of refugees in communities will require short term assistance to local communities to drill additional wells, supply pumps and disinfecting chemicals, and expand sanitary capacity.
 - Psychosocial/Trauma Support: Support NGOs and community groups who directly help refugee and host families, especially traumatized children and women. Therapeutic interventions focus on community and family level reintegration, and on engaging the participation of youth. Indigenous NGOs can be helped to expand their capacity to deal with these needs.
 - Education: Provide low cost educational support in refugee camps and affected community schools. This could include training in pre-school and early childhood education to community volunteer/teachers, and could draw on the skills of refugee Kosovar teachers. Provide educational supplies, materials and equipment.
 - Health: Help over-burdened facilities in Albania extend primary care, women's health, and disease prevention services to communities coping with the influx of refugees.
 - Income-Generating Small Public Works: Massive population and supply movements have caused local infrastructure to crumble. Labor-intensive repair programs would keep principal roads passable and open up feeder roads affecting camps and host communities. This would also provide sorely needed short-term employment for refugees and citizens of affected communities.
 - Community Capacity to Mitigate Impact of the Crisis: Villages and communities in Albania and Macedonia are being overwhelmed, and impacts will last long

beyond the period refugees are present. They need assistance to plan, prioritize and improve their own capacity to pick up services which may be temporarily provided by donors and NGOs, such as schooling, small scale infrastructure, water and health.

- Food Production: Programs to supply seed, inputs and implements for short-season vegetables or winter wheat can provide work and income for refugees and their host families, and expand local food supplies. To have systems and inputs ready for fall planting, we need to start immediately.